(b) No additional assistance is envisaged from IDBI for bailing out the company.

(c) to (e) As the case is reported to be before BIFR, the issues have to be decided by BIFR in accordance with the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 after hearing the parties concerned.

Opening of Private Foreign Banks

2039. SHRI S. AGNIRAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are considering for giving licences to private and foreign banks to operate in the Banking sector;

(b) if so, the criteria adopted for giving such licences;

(c) the number of such cases pending with RBI for clearance; and

(d) the number of those which have started operating during the last year alongwith the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Reserve Bank of India (RBI) considers grant of licenses to applicants intending to set up new banks in the private sector in accordance with the guidelines dated 22nd January, 1993 issued in this regard. The minimum capital requirement for setting a commercial bank in the private sector is Rs.100 crores out of which a minimum of Rs. 40 crores is to be contributed by the promoters. While considering the applications for entry of new private sector banks, the following aspects are kepet in view:—

- They subserve the underlying goal of financial sector reforms, which is to provide competitive efficient and low-cost financial intermediation services for the society at large.
- They are financially viable.
- They should result in upgradation of technology in the banking sector.
- They avoid shortcomings such as unfair pre-emption and concentration of credit, monopolisation of economic power, cross holdings with industrial groups etc.

RBI considers requests from foreign banks for opening of maiden branches in India, under Sec. 22 of the Banking Regulation Act, 1949 keeping in view the following criteria:—

- Financial soundness of the Bank
- International and home country ranking
- Rating
- Economic and trade relations between the two countries.
- The home country regulations and supervisory control
- Home country regulator's approval for opening of the branches in India.

A Minimum capital requirement for opening maiden branch is US$ 10 million, a further requirement of US$ 10 million for opening second branch and US$ 5 million for opening third and subsequent branches.

(c) As reported by Reserve Bank of India, eleven applications in respects of private sector banks and one application from a foreign banker for opening its maiden branch in India are pending with RBI.

(d) During the last one year only one bank namely KBC Bank, NV Belgium commenced operations in India from 15.2.2000 with its maiden branch in Mumbai.

Payment to suspended Employees of State Bank of Indore

2040. SHRI RAMACHANDRAIAH RUMANDLA: Will the Minister of FINANCE be pleased to refer to answer to unstarred Question 1270 given in the Rajya Sabha on 14th December, 1999 and state:

(a) the reasons for making payment on the basis of employees treated as "Suspended" by the State Bank of Indore, as referred to part (d) of the above mentioned question;

(b) whether it is a fact that employees were not suspended and rules not complied with fully in this regard;

(c) what are the reasons for withholding remaining dues; and

(d) by when remaining payment is likely to be made by the Bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) According to State Bank of